

Members:

Sen. Patricia Miller, Chairperson
Sen. Luke Kenley
Sen. Anita Bowser
Sen. Allie Craycraft
Rep. Vern Tincher
Rep. John Day
Rep. Timothy Brown
Rep. Dean Young



FAMILY AND SOCIAL SERVICES EVALUATION COMMITTEE

LSA Staff:

Al Gossard, Fiscal Analyst for the Committee
Barry Brumer, Attorney for the Committee

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**Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 232-9588 Fax: (317) 232-2554**

MEETING MINUTES

Meeting Date: July 2, 1998
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St., Room 128
Meeting City: Indianapolis, Indiana
Meeting Number: 5

Members Present: Sen. Patricia Miller, Chair; Sen. Luke Kenley; Sen. Allie Craycraft; Rep. Vern Tincher; Rep. John Day.

Members Absent: Sen. Anita Bowser; Rep. Timothy Brown; Rep. Dean Young.

Sen. Miller, Chair of the Committee, called the meeting to order at about 10:15 a.m.. After introducing the members of the Committee, Sen. Miller reviewed the Committee's charge: (1) To review issues relating to the organization, delivery, and administration of family and social service programs. (2) To examine the organizational structure of the Office of Family and Social Services to determine whether that structure facilitates the delivery of client services.

Ms. Kathy Davis Secretary, Family and Social Services Administration (FSSA)

Ms. Kathy Davis, Secretary of FSSA, provided copies of FSSA's Performance Plan¹ to the Committee. The document describes what FSSA expects to achieve over the next couple of years, FSSA's guiding principles, operating measures and goals, the agency's work plan, budget summary, and organizational chart. Ms. Davis also introduced the FSSA staff members in attendance.

Ms. Davis described the fundamental focus of the FSSA leadership team as the integration of services in a cost-effective manner and to provide quality services to clients. FSSA's objective, with over 100 different programs to administer, is to create a system where services are provided close to home and where the program funding follows the individual.

¹This document is on file in the Legislative Information Center, Room 230, Statehouse, Indianapolis, Indiana. The telephone number of the Legislative Information Center is (317) 232-9856, and the mailing address is 200 W. Washington St., Suite 301, Indianapolis, Indiana 46204-2789.

Ms. Davis listed four major priorities: (1) Welfare reform efforts - moving toward supporting working families in partnership with the Indiana Department of Workforce Development; (2) Child Development - looking at the number of services offered to children in collaboration with the State Department of Health and the Department of Education; (3) Expansion of Health Insurance through the Children's Health Insurance Program (CHIP) - integrating services and managing outreach efforts; and (4) Community services for people with disabilities and mental illness - shifting resources from institutional care to community-based care and developing community capacity for providing services.

Ms. Davis also described the organizational changes made in 1997 that established the Office of Policy and Budget, Office of Organizational Development, and the Office of Contract Management. According to Ms. Davis, the purpose of the changes was to better support FSSA in the provision of services in the following areas: (1) Community Planning - Where in the past, the state had been relatively prescriptive, FSSA was now working with Step Ahead Councils, Local Planning Councils, and the Department of Workforce Development, to develop the planning process allowing FSSA to concentrate on outcomes. (2) Computerization - The objective is to develop data systems to better work with communities and to aid in facilitating access and to help in developing and providing effective programs. (3) Contract management - The objective is to develop performance-based contracting focusing on outcomes across the divisions. (4) Policy and Budget - The objective is to focus on an approach to better blend funds where the program dollars follow the individual service plans.

In response to a question from Sen. Miller on how the Secretary would rate the success of the FSSA administrative structure, on a scale of one to ten, Ms. Davis stated that she would assess the success of the structure as an eight. She further stated that she'll have a better idea as FSSA obtains more and better information, but she was pleased with the structure as it now exists. She also stated that it is important that the Secretary is not the day-to-day decision-maker.

In response to a question as to how often the Secretary's leadership team meets, Ms. Davis stated that, on average, the full team meets about three times every two weeks with time set aside on Mondays for the full team to meet and on Fridays for the full team and anyone else who is needed. Also, once every six months, they have a meeting with about 100 people involved.

In response to a question regarding the Secretary's thoughts about the nursing home articles recently reported in the Indianapolis Star/Indianapolis News, Ms. Davis stated that the entire nursing home industry is probably not as bad as the article implied and that the article was somewhat sensational. She further stated that this is an industry that is fairly stagnant (in part because of the Certificate of Need program) and that quality has to be regulated by government rather than from a competitive environment. Ms. Davis stated that the State Department of Health has a number of regulatory options it may use. In addition, FSSA has a role in developing a system with good choices for consumers. She indicated that the single point of entry for nursing homes, the Area Agencies for the Aging (AAA's), had recently been rated number one in the nation. In addition, more services are being created all the time through CHOICE dollars and the new Medicaid case-mix reimbursement system should help distribute nursing home residents to homes most able to serve their needs.

In response to a question from the Committee, Ms. Davis confirmed that the Certificate of Need program had ended June 30, 1998. FSSA staff also briefly explained the role of the AAA's in doing pre-admission screening for potential nursing home residents.

Responding to a question as to the size of the waiting list for CHOICE services, Ms. Davis explained that the increase in funding received in the last year has provided services to the previous group that was on the waiting list. However, the waiting list is again about as long as it was before the funding increase.

Ms. Kathy Gifford, Assistant Secretary for the Office of Medicaid Policy and Planning (OMPP), indicated to the Committee that we are in a very dynamic period due to changes in federal reimbursement of nursing homes, a new case-mix reimbursement system, Medicare changes to the home health industry, elimination of the Certificate of Need program, all of which produces challenges for the future. She added that the state may be faced with greater demand for home-based services if nursing homes pull away from low-needs residents.

In response to a question from the Committee as to the potential of assisted living alternatives, Ms. Gifford stated that states will be challenged to define and determine the state's involvement in assisted living. She further stated that the state must make sure there is sufficient capacity and infrastructure in the community to allow choices for consumers without reimbursement systems getting in the way. Ms. Gifford added that with respect to alternatives, the state cannot just take money from nursing homes and the Medicaid program because Medicaid is an entitlement. However, the state has come at the problem from the side, e.g., through the case-mix reimbursement system, the CHOICE program, and the Indiana Long Term Care Insurance Program.

In response to a question from the Committee, Ms. Davis stated that the TANF (Temporary Assistance for Needy Families) Block Grant is presenting a problem with respect to the Maintenance of Effort (MOE) requirement. The state is required to spend at least a certain amount on TANF-related activities and the state is struggling to spend that much. Counties are not having to spend as much for their share of welfare activities, either, making it difficult to spend the required MOE. She added that there is a two-pronged federal penalty for underspending the MOE: (1) the state won't receive as much block grant funding; and (2) next year the state would have to make up both the state's share and the federal share of some expenditures.

In response to a question regarding the ISETS (Indiana Support Enforcement Tracking System) Program, the state's automated child support collection system, Ms. Davis stated that the system does work in increasing child support collections. She stated that collections have increased by 87% in those counties using the system, while they increased by only 30% in those counties not on the system over the same time period. She added that there have been \$600,000 in penalties assessed against states for late implementation and that the 17 counties in Indiana who have not come onto the system will, in the future, help pay the cost of any penalties.

In response to a question regarding the cost of the local contribution for child welfare expenditures, Ms. Davis described the County Family and Children Funds that are supported 100% with property taxes and are used for child abuse and child welfare activities. FSSA has worked at: (1) obtaining more federal reimbursement dollars; and (2) helping the counties manage the funds better.

In response to a question from the Committee regarding the Year 2000 computer problem, Mr. Joe Pascucci, Director of the Division of Organizational Development, stated that the larger computer systems were in good shape, but that the smaller computer programs were still not in compliance. He further stated that it would be close as to whether all of the systems would be ready in time.

Public Testimony

Ms. Rose Ann Rothman

COVOH (Council of Volunteers and Organizations for Hoosiers with Disabilities)

Ms. Rose Ann Rothman, COVOH, stated that her organization supported the move to community-based services and that they were very pleased and impressed with FSSA and its accomplishments. She added that this has been an open administration and that FSSA has involved advocates and stakeholders, while creating choices for FSSA clients.

Ms. Carole Davis

Citizen, Evansville, IN

Ms. Carole Davis stated that she has worked on child abuse issues for many years and has done considerable research in the last few years. She stated that her concern was the way the child abuse/child welfare system works in Indiana. Ms. Davis referred the Committee to a Harvard study,

regarding bloated bureaucracies, and a Yale study, regarding brain imaging in children.²

Responding to questions from the Committee, Ms. Davis further suggested that the child welfare system could be improved by disbanding FSSA. Ms. Davis commented that FSSA has had too much power. She also stated that it is too difficult to get records of individuals because of confidentiality concerns.

Committee Discussion

Committee discussion focused on potential topics for consideration by the Committee. Potential topics included:

- (1) Legislative oversight and control of the administrative rule-making process;
- (2) The welfare system and the relationship between the state and counties;
- (3) The relationship between the State Department of Health's role in nursing facility regulation and the Medicaid Program's role in the financing of long term care;
- (4) The licensure of social workers, mental health counselors, and correctional counselors as mandated by HEA 1961 (1997);
- (5) The hiding or transferring of assets to gain eligibility for the Medicaid Program;
- (6) The cost and feasibility of long term care insurance for state employees;
- (7) The problem of monitoring the impact of deinstitutionalization on the employees and clients of FSSA;
- (8) The child welfare system, foster care, and adoption issues;
- (9) Guidelines for the elderly regarding spend-down of income for Medicaid;
- (10) The status of the automated child support collection system;
- (11) Programs related to child care including the School-age Child Care and Safe Havens Programs; and
- (12) More testimony and discussion of the impact of the administrative structure of FSSA on service providers and consumers.

The next meeting was set for July 28, 1998, at 10:00 a.m. in the State House. There being no further business to conduct, the meeting was adjourned.

²Copies of the studies are on file in the Legislative Information Center (See footnote 1).